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**VIRGINIA**  
*Economic Indicators*

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# FOREWORD

For those who are interested in studying the business cycle, the *Virginia Economic Indicators* publication is designed to depict the movement of the key economic indicator series readily available in Virginia. Most of these series are published elsewhere; but here, they are brought together in both graphic and tabular form, under one cover, and grouped so that they may be analyzed and interpreted easily.

All but five of the series currently used are produced in-house by the Economic Information Services Division of the Virginia Employment Commission and are comparable to similar national series produced by the U.S. Department of Labor. The five business indicators are provided by sources outside of the agency (see the Historical Summary at the back of this publication for data sources) and should prove useful to the student of business cycle development in Virginia.

All series published in the *Indicators* have been seasonally adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle. The *Virginia Economic Indicators* is the only seasonally adjusted publication of some of the Virginia series.

From time to time, new series will be added to this report as the data becomes available and is collected and tested. Also, series presently provided, if necessary, may be discontinued. Historical graphs are published in the back of the fourth quarter issue for each year.

This publication provides a narrative analysis update of the U.S. economy and narrative analysis of recent changes in Virginia. Occasionally, feature articles dealing with some currently important aspects of the Virginia economy are presented. Feature articles are written in-house or by guest authors knowledgeable on particular economics-related subjects.

This publication is normally produced quarterly by April, July, October, and February, but data in the series is provided on a monthly basis. There is a time lag of one quarter before all the data series are available for publication and analysis.

With the 2002 benchmarks in 2003, all states were required to switch to the North American Industry Classification System (NAICS) codes which replace the Standard Industrial Classification (SIC) codes formerly used. The NAICS codes were updated in 2007. The NAICS conversion affects the factory employment series and the four hours-and-earnings series in that, where 2001 - 2009 data has been revised to NAICS, data prior to this time is still on the old SIC basis with more manufacturing industries. This means a slight break in these series when comparisons are made with former periods prior to 2001.

The main change to manufacturing is that, under NAICS, newspapers and publishing houses are no longer included in manufacturing, and so their employment and earnings are missing from revised 2001 - 2009 data.

The U.S. forecast analysis is based on the IHS Global Insight projections which the state purchases. Virginia estimates use the state model with enhancements from VEC data for the areas.

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# U.S. ECONOMIC OUTLOOK

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Perdido Key Beach, Pensacola, Florida

The advance, or first, estimate of 2010 second quarter Gross Domestic Product (GDP) as reported by the Bureau of Economic Analysis (BEA) was an anemic 2.4 percent, strikingly less than most economists had predicted at the beginning of the quarter. The second GDP estimate was 1.6 percent. Considering that the final estimate of first quarter GDP was 3.7 percent, it appears that the economy is moving backwards. Is this a trend, or just a quarter's-worth of data? Second quarter 2010 GDP component figures have been difficult to pin down, and most all forecasts regarding the third and fourth quarters and the 2010 annual average had to be scaled down from the original predictions. Considering this challenging period of recovery, we tend to hesitate in publishing anything until the third estimate for second quarter GDP is reported towards the end of September.

As noted in the BEA news release of August 27, 2010, the second quarter GDP second estimate of 1.6 percent was a product of a significant increase in imports (22.2 percentage points from first quarter) along with a decline in private inventory investment as the inventory cycle receded. Offsetting these negatives were upturns in residential fixed investment; nonresidential fixed investment; and state, local, and federal government spending.

## Second Quarter 2010 Review and Outlook

We had entered the second quarter of 2010 thinking the most overriding issues would be the dual disasters of the mine explosion in West Virginia, where 29 miners were lost, and the oil well explosion in the Gulf of Mexico, where 11 workers were never found and which left an oil spill that threatened an ecosystem and a way of life for the residents along the coasts. And, yes, the record-setting heat—unprecedented high temperatures for spring and early summer that made for an unbearable working environment for what little construction work was available. These were the issues. In the media, the lost oil workers trumped the lost miners, the oil spill that seemed unstoppable trumped the oil workers, the oil was finally capped and most of the visible oil was captured, and the heat continued. Now, our attention is back on the economy—and a very shaky one at that. As someone noted in the press after the BEA release, the economy has little to no resilience left—we *can't stand anymore shocks*.





Prior to the initial estimate from BEA, some forecasters were down-grading their rather optimistic estimates of second quarter GDP to close to 1 percent based on early figures regarding certain components of GDP, even as first quarter GDP was revised to 3.7 percent. The U.S. economy has been trending down from 5 percent in the last 3 months of 2009, to 3.7 percent in the first quarter, and the current government estimates has it at 1.6 percent (the third estimate is due September 30). Some economists have moved away from exclaiming *no double dip recession*, to a less confident stance on the subject as they edge-up their probability estimates for such an event. We would only say that given the power of consumption in our demand-driven economy, the lack of broad spending (all goods—volatile and not, especially by the non-business consumer) will not support even low positive GDP numbers for long.

A quick review of the numbers shows the level of activity in the economy. Real personal consumption expenditures (PCE adjusted for inflation) include durable as well as non-durable goods. As we had thought, PCE continued to rise but at the very sluggish pace of 2.0 percent, just a tenth of a point from the fourth quarter 2009 (1.9 percent). Personal consumption is currently estimated to have been nearly \$10.3 trillion in the second quarter—70.5 percent of the \$14.6 trillion economy.

As mentioned earlier in the year, PCE had hit a now revised low of -0.7 percent in the second quarter of 2009. While to be at this level of consumption growth (2.0 percent) is reassuring—consumers have not ceased spending completely—the fact that a large portion goes to the purchase of imported goods and not toward the production of domestic goods underscores the fragility of our times. The slow growth in PCE is reflective of the decline in the Consumer Confidence Index July figure of 50.4 (1985=100). June's figure was 54.3. Moreover, both the "Present Situation Index" at 26.1 (down from 26.8) and the "Expectation Index" at 66.6 (down from 72.7) show the lack of short-term faith in the economy. The director of the Conference Board Consumer Research Center, Lynn Franco, states that consumer confidence had "faded further in July as consumers continue to grow increasingly more pessimistic about the short-term outlook. Concerns about business conditions and the labor market are casting a dark cloud over consumers, that is not likely to lift until the job market improves. Given consumers' heightened level of anxiety, along with their pessimistic income outlook and lackluster job growth, retailers are very likely to face a challenging back-to-school season." This may be a self-fulfilling prophecy, yet consumers are the foundation of job creation.

## 2nd Quarter 2010 Virginia Economic Indicators

The nearly doubled revision of 2010 first quarter private inventory investment (14.7 percent in the second estimate to the final estimate of 29.1 percent) leaves us hesitant to say much on the change from first quarter to second quarter (25.0 percent) for fear of having to retract what was stated. It may be best to “wait and see.” We do feel, though, that businesses did continue to add their capital stock, but at a lower amount—perhaps highlighting the slowing economy.

Although a slowing from the first quarter, the export component of GDP grew 9.1 percent in the second quarter (we had predicted a 14 percent increase). Exports have been trending downward since the 24.4 percent increase in the fourth quarter 2009. Our pessimism continues to be high for growth of exports, and we think they will continue to decline throughout 2010 and into 2011 due to the global weakness, especially in Europe. Real imports, at 32.4 percent over first quarter, nearly tripled as domestic spending poured out into the foreign markets.

The final component for GDP, real government consumption, increased 4.3 percent in the second quarter. This was a significant rise from the first quarter figure of -1.6 percent. Combined federal government spending grew by 9.1 percent. National defense spending increased by 7.3 percent (6.9 points over the first quarter), while federal nondefense grew by 12.9 percent (7.9 points over the first quarter). Both state and local governments rose from a negative 3.8 percent in the first quarter to 1.2 percent in the second.

Finally, job growth—yes indeed, businesses hire people to work and they pay them wages in exchange for their labor. This is intuitive in a demand-driven economy. Yet, it is this common knowledge that tends to get lost in the daily discourse on the subject of job creation. The



function of business is selling goods and services, not hiring workers. Until manufacturers and service companies sense the increased demand for those products from people (consumers), there will be little conscious effort to hire more workers, and the national unemployment rate will hover in the high 9 percent range—and perhaps will dip back into 10 percent.

The National Bureau of Economic Research (NBER) has declared that the recent recession had a life span of 18 months (December 2007 - June 2009). This metric is mostly a measure of business sales, not job growth—which lags in recovery, and this lag will be much longer than average. So the question remains, how do we stimulate substantial and sustainable job growth in an unprecedented era? This is very much a political question today as it was in the only period of time in which we have to judge—the 1930s. We spent our way out of that period, or maybe it is more correct to say that we were induced into massive spending by a cause that fused a partisan reaction. It is difficult to believe, given our political divisions, that a suitable peaceful answer to this question can be found.

The private payroll employment level increase of 67,000 for August was better than expected. It is a sign that perhaps we are avoiding a double-dip recession. Using upwardly revised private employment figures for the past months and applying a 3-month moving average reveals an increase of 78,000. This increase is certainly better than the previous moving average of 51,000—still, whether 67,000 or 78,000, at this point, according to our experience in recessions, we would expect more. But then again, we lack that kind of experience.

Note: A complete list of the GDP components can be found at: [http://www.bea.gov/newsreleases/national/gdp/2010/pdf/gdp2q10\\_2nd.pdf](http://www.bea.gov/newsreleases/national/gdp/2010/pdf/gdp2q10_2nd.pdf)





# VIRGINIA INDICATORS

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## Highlights

- Despite a decrease at the end of the quarter, nonfarm employment had shown improvement from the first quarter. However, the level was still 147,600 below its pre-recession high of 3,780,200 achieved in April 2008.
- The total unemployment rate declined each month of the quarter, almost returning to the rates of late last year. The insured unemployment rate has continued to drop as claimants have either found work or moved into one of the federally-funded unemployment insurance benefit programs.
- Initial claims are running 28 percent below the recessionary highs reached in the first half of 2009, but remain about one-third higher than their pre-recession levels.
- Unemployment insurance final payments dropped about 16 percent from First Quarter 2010 levels and the percentage of claimants who exhausted their benefits declined for all three months of the quarter.
- Mining and Logging employment fell to a record low in June.
- Construction and Manufacturing both recaptured some of their losses from the first quarter, but each are still about 10,000 below the second quarter of last year.
- Average weekly hours for manufacturing production workers are less than one hour above year-ago levels. Total production hours, however, continue on a general downward trend.
- The Information sector continues to lose jobs probably due to reductions in the print media.

## 2nd Quarter 2010 Virginia Economic Indicators

- Professional and Business Services and Private Education and Health Services have each gained about 10,000 employment over Second Quarter 2009, while Retail Trade is up by about 4,000.
- Miscellaneous Services employment set a record high in April. This sector, which includes Repair and Maintenance, likely is growing as consumers decide to repair what they have instead of buying new products.
- While Leisure and Hospitality has about the same employment as year ago, the remaining private industry sectors have lost about 2,000 to 6,000 jobs each.
- Federal Government employment rose to a record high in May as the Census Bureau was completing its staffing.
- State Government has leveled off, but Local Government remains well below its pre-recession peak.
- New vehicle registrations continued to show improvement, while single family housing permits were likely affected by the end of the federal tax credit for new home buyers.
- Taxable retail sales fell each month of the quarter.



### Around the State

Because the metropolitan data are not seasonally adjusted, over-the-year analysis (Second Quarter 2010 versus Second Quarter 2009) is used.

**Statewide** there were 11,300 jobs lost, or 0.3 percent of nonfarm employment. Two-thirds of all sectors lost employment with the worst losses in Local Government (14,800 or 3.8 percent), Construction (10,000 or 5.2 percent), and Manufacturing (9,700 or 4.1 percent). However, there were also substantial increases in Federal Government (12,200 or 7.3 percent) and Private Education and Health

Services (8,900 jobs or 2.0 percent). Some of the increase in Federal employment was due to workers hired for the 2010 Census. There were smaller gains in Retail Trade (4,100 or 1.0 percent), Professional and Business Services (4,000 or 0.6 percent) and State Government (1,400 or 0.9 percent). The state's unemployment rate rose from 6.7 percent to 6.9 percent. Single family building permits increased 2.3 percent from 4,684 to 4,794. Taxable retail sales increased 0.8 percent from \$25.0 billion to \$25.2 billion.

**Northern Virginia MSA** gained 12,100 jobs, or 0.9 percent of nonfarm employment, with major increases in the Retail Trade (8,100 jobs or 6.4 percent), Leisure and Hospitality (6,500 or 5.5 percent), and Federal Government (6,300 or 7.4 percent) sectors. These sector gains were partly offset by declines in Construction (6,000 or 8.6 percent), Local Government (4,800 or 3.9 percent), and Information (4,100 or 9.2 percent). There were smaller gains in Private Education and Health Services (4,200), Miscellaneous Services (3,800) and Professional and Business Services (2,300). The Health Care and Social Assistance subsector accounted for all but 200 of its sector's increase. Except for the relatively small gain in State Government (500), the remaining sectors all had losses. Most of the Finance, Insurance, and Real Estate loss (1,200) was in the real estate subsector. The area's unemployment rate was the lowest among the state's MSAs, but rose from 5.1 percent to 5.2 percent—slightly less than the state's increase from 6.7 percent to 6.9 percent. Single family building permits for the entire Washington-Alexandria-Arlington, DC-MD-VA-WV MSA increased 12.0 percent from 2,468 to 2,764. Taxable retail sales increased 3.1 percent from \$9.45 billion to \$9.74 billion.

**Harrisonburg MSA** gained 800 jobs, or 1.3 percent of nonfarm employment. The Private Service Providing sector had a net increase of 1,100 jobs, but one of its components, Retail Trade, lost 100. There were temporary layoffs in the food services industry. Total Government increased by 100 jobs. The Goods Producing sector, which is composed of Mining, Construction, and Manufacturing, had a loss of 400 jobs. Although the area's unemployment rate rose from 6.3 percent to 6.6 percent, it was still below the state average of 6.9 percent. Single family building permits decreased 32.9 percent from 146 to 98. Taxable retail sales increased 2.8 percent from \$389.1 million to \$400.1 million.

**Lynchburg MSA** gained 700 jobs, or 0.7 percent of nonfarm employment. Retail Trade growth (200) contributed to the net gain of 1,500 in the Private Service Providing sector. Manufacturing experienced a loss of 400 jobs or 2.7 percent. Federal Government grew slightly (100), but it was





more than offset by a loss in State Government (400). The area's unemployment rate was unchanged at 7.7 percent, but remained above the state average. Single family building permits increased 31.9 percent from 113 to 149. Taxable retail sales increased 7.2 percent from \$614.3 million to \$658.5 million.

**Winchester MSA** lost 500 jobs, or 0.9 percent of nonfarm employment. Declines occurred in the Trade, Transportation, and Utilities sector (600 jobs or 5.0 percent) and the Goods Producing sector (400 or 4.5 percent) sector, which consists of Mining, Construction, and Manufacturing. A 100 loss in the Local Government sector reduced the gain of 400 in the Federal Government sector. The area's unemployment rate was one of only two MSAs to decline (from 7.7 percent to 7.1 percent), significantly decreasing the percentage-point gap from one to 0.2. Single family building permits for the whole MSA (which includes a county in West Virginia) decreased 9.2 percent from 119 to 108. Taxable retail sales increased 2.0 percent from \$415.6 million to \$423.9 million.

**Charlottesville MSA** lost 600 jobs, or 0.6 percent of nonfarm employment. The largest losses occurred in the Goods Producing, (600 jobs or 6.0 percent), Local Government (200 or 2.1 percent), State Government (200 or 1.1 percent), and Trade, Transportation, and Utilities (200

jobs or 1.3 percent) sectors. Federal Government (200) and Leisure and Hospitality (100) were the only sectors with gains. Unemployment increased from 5.7 percent to 5.9 percent, remaining one percentage point below the state average. Single family building permits decreased 5.9 percent from 152 to 143. Taxable retail sales increased 1.3 percent from \$613.5 million to \$621.6 million.

**Danville MSA** lost 800 jobs, or 1.9 percent of nonfarm employment. Major losses were experienced in Manufacturing (300 jobs or 4.5 percent) and Trade, Transportation, and Utilities (100 jobs or 0.9 percent). There were permanent layoffs in transportation equipment manufacturing and temporary layoffs in food manufacturing. Federal Government's increase of 100 was offset by an equal loss in Local Government. The area's unemployment rate was the highest among the state's MSAs and remained in the double digits, unchanged at 11.7 percent. Single family building permits were unchanged at 19. Taxable retail sales fell 0.9 percent from \$243.7 million to \$241.4 million.

**Roanoke MSA** lost 1,000 jobs, or 0.7 percent of nonfarm employment. The largest losses were in the Retail Trade (700 or 4.0 percent), Construction (600 or 7.0 percent), and Manufacturing (600 jobs or 3.8 percent), sectors. Private Education and Health Services had the largest



## 2nd Quarter 2010 Virginia Economic Indicators

gain (800 or 3.2 percent). Gains of 300 each occurred in the Transportation, Warehousing, and Utilities, Leisure and Hospitality, and Federal Government sectors. The combined loss in State and Local Government (600) was double the gain in the Federal Government. The area's unemployment rate remained above the state average, increasing from 7.2 percent to 7.3 percent, but the gap narrowed slightly. Single family building permits increased 16.2 percent from 105 to 122. Taxable retail sales increased 0.4 percent from \$995.7 million to \$1.0 billion.

**Blacksburg-Christiansburg-Radford MSA** lost 1,000 jobs, or 1.4 percent of nonfarm employment. Federal Government gains (200) partly offset losses in the Goods Producing (700) and Local Government (100) sectors. The Goods Producing sector, which is composed of Mining, Construction, and Manufacturing, had temporary layoffs in the manufacture of motor vehicles. The area's unemployment rate was one of only two MSAs to decline (from 8.5 percent to 8.3 percent), but it was still the second highest of the state's MSAs (after Danville). **Building permit data is not available for this MSA.** Taxable retail sales fell 2.0 percent from \$392.5 million to \$384.7 million.

**Virginia Beach-Norfolk-Newport News, Virginia/North Carolina MSA** lost 6,300 jobs, or 0.8 percent of nonfarm employment. The biggest losses were in the Local Government (4,700 jobs or 5.2 percent), Manufacturing

(2,100 or 3.9 percent), Construction (1,400 or 3.7 percent), and Finance, Insurance, and Real Estate (1,400 or 3.7 percent) sectors. Most of Manufacturing's loss was in durable goods (1,500), but there was a small gain in Ship and Boat Building (300). Most of the Finance sector's decline (1,400) was in the Banking and Insurance subsector (1,100). There were smaller losses in the Information (1,100) and Wholesale (800) sectors. Substantial gains were recorded in the Federal Government (2,400 or 4.9 percent) and State Government (1,600 or 7.9 percent) sectors. The Health Care and Social Assistance subsector's gain (1,600 or 2.1 percent) exceeded that of the Private Education and Health Services sector (1,200 or 1.3 percent). The area's unemployment rate increased faster than the state, going from 6.8 percent to 7.4 percent (versus 6.7 percent to 6.9 percent). Single family building permits for the whole MSA (which includes a county in North Carolina) increased less than one percent from 804 to 810. Taxable retail sales fell 1.0 percent from \$4.83 billion to \$4.78 billion.

**Richmond MSA** lost 8,300 jobs, or 1.4 percent of nonfarm employment, and had losses in all sectors except Private Education and Health Services (4,000 jobs or 4.8 percent), Miscellaneous Services (1,700 or 5.5 percent), and Federal Government (1,500 or 9.3 percent). Less than half of the gain in the Private Education and Health Services sector was in the Health Care and Social Assistance subsector (1,700 or 2.4 percent). The largest losses occurred in Leisure and








Hospitality (3,500 or 6.5 percent), Local Government (3,400 or 5.8 percent), and Manufacturing (2,300 or 6.6 percent). There was a temporary layoff in food manufacturing. The Information, Retail Trade, and Finance, Insurance, and Real Estate sectors each had a loss of at least 1,000 jobs. There was a permanent layoff in data processing. The area's unemployment rate stayed above the state rate, rising from 7.5 percent (versus 6.7 percent) to 7.7 percent (versus 6.9 percent). Single family building permits decreased 6.2 percent from 791 to 742. Taxable retail sales fell 5.4 percent from \$4.27 billion to \$4.04 billion.

**NonMSA Total** lost 6,300 jobs, or 1.5 percent of nonfarm employment. The total nonmetro area lost jobs much faster than the state (seasonally unadjusted) rate of 0.3 percent. Small gains in Federal (800) and State (200) Government partly offset the large losses in the


Private Service Providing (4,700 jobs or 1.9 percent) and Goods Producing (1,600 or 1.9 percent) sectors. The Goods Producing sector, which is composed of Mining, Construction, and Manufacturing, had permanent layoffs in construction and the manufacture of machinery, furniture, transportation equipment, wood products, and apparel. There were temporary layoffs in food services and the manufacture of food and machinery. Also showing a loss was Local Government (1,000 or 1.8 percent). The area's unemployment rate was unchanged at 9.1 percent, but remained much higher than the state rate of 6.9 percent. Taxable retail sales increased 4.3 percent from \$2.79 billion to \$2.91 billion.



## Employment Indicators\*

 2009	Nonagricultural Wage and Salary Employment (Thousands)		Total Unemployment Rate (Percent)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
January	3,643.0	3,697.1	6.2	5.7
February	3,631.6	3,680.9	6.6	6.1
March	3,638.3	3,664.4	6.7	6.4
April	3,647.7	3,655.1	6.3	6.7
May	3,665.7	3,649.1	6.7	6.8
June	3,678.0	3,636.4	7.1	6.9
July	3,620.4	3,624.3	6.9	6.9
August	3,610.8	3,618.2	6.9	6.9
September	3,620.5	3,613.4	6.7	6.8
October	3,626.8	3,610.7	6.6	6.8
November	3,630.2	3,603.2	6.5	6.8
December	3,628.2	3,596.7	6.7	6.8
2010				
January	3,567.8	3,620.7	7.6	6.9
February	3,538.0	3,586.1	7.8	7.2
March	3,586.6	3,612.2	7.6	7.3
April	3,626.1	3,633.4	6.7	7.2
May	3,656.9	3,640.2	6.9	7.1
June	3,674.4	3,632.6	7.1	7.0

## Unemployment Insurance Indicators

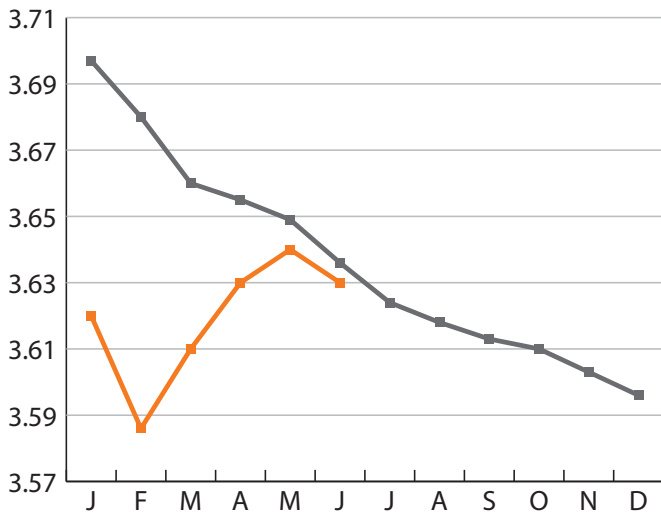
 2009	Average Weekly Initial Claims		Insured Unemployment Rate (Percent)*		Unemployment Insurance Final Payments	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	13,246	8,924	2.30	1.97	5,359	4,692
February	11,538	10,834	2.50	2.10	6,138	6,567
March	11,545	12,214	2.67	2.34	8,669	8,172
April	8,840	10,300	2.63	2.60	9,219	8,631
May	8,705	10,365	2.58	2.62	9,733	8,792
June	9,298	10,718	2.55	2.62	12,305	12,184
July	8,625	8,551	2.50	2.49	11,474	10,189
August	7,309	9,291	2.36	2.52	11,602	11,244
September	7,040	9,000	2.13	2.44	12,662	13,450
October	6,949	7,874	2.02	2.39	9,747	10,959
November	8,185	7,623	2.01	2.30	8,808	11,377
December	10,393	7,392	2.08	2.10	10,869	11,931
2010						
January	11,350	7,646	2.31	1.97	10,447	9,147
February	8,852	8,312	2.33	1.96	8,416	9,004
March	7,683	8,129	2.19	1.92	10,229	9,643
April	6,549	7,631	1.94	1.92	8,292	7,763
May	6,317	7,522	1.78	1.81	7,804	7,050
June	6,642	7,657	1.77	1.82	8,618	8,534

\* These series have been adjusted to First Quarter 2009 benchmarks.

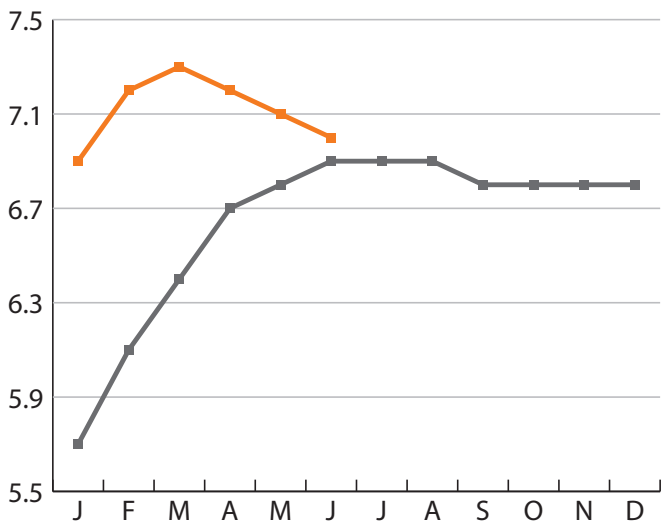


## Employment Indicators

Nonagricultural Wage and Salary Employment  
(Millions)

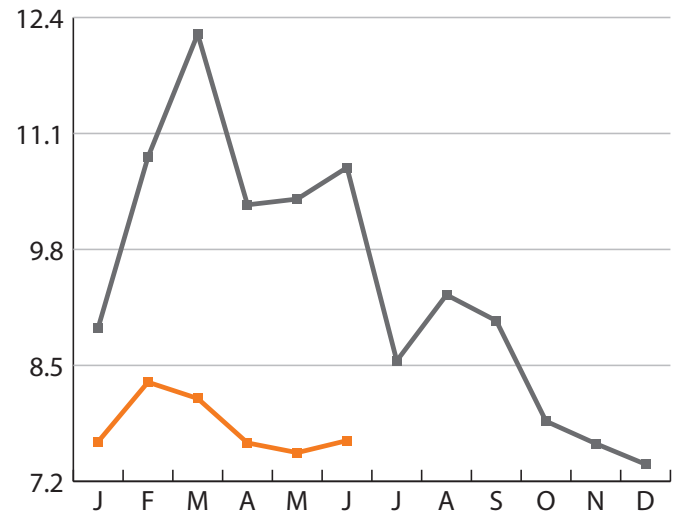


Total Unemployment Rate  
(Percent)

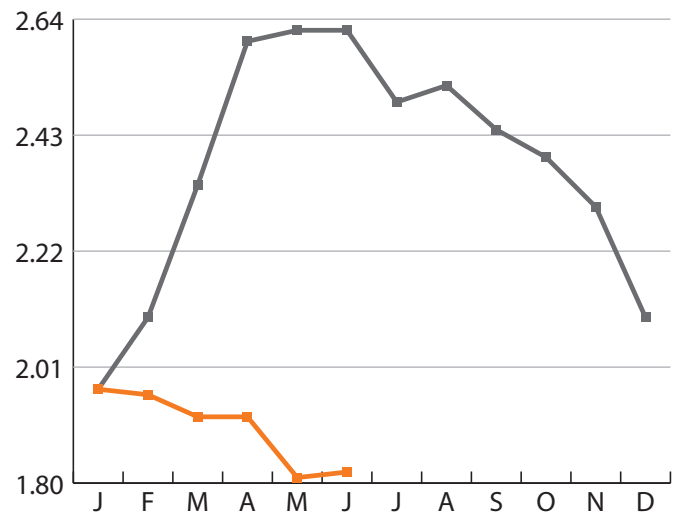


## Unemployment Insurance Indicators

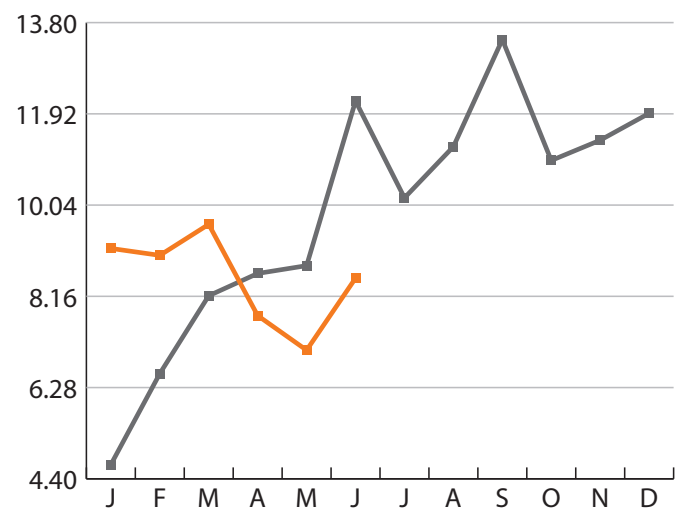
Average Weekly Initial Claims  
(Thousands)



Insured Unemployment Rate  
(Percent)




Unemployment Insurance Final Payments  
(Thousands)




■ 2009 ■ 2010 January 2009 - June 2010

## Goods Producing Employment\*

	Mining and Logging Employment (Thousands)		Construction Employment (Thousands)		Manufacturing Employment (Thousands)		
	2009	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January		10.8	10.9	195.4	203.2	250.2	251.6
February		10.5	10.6	190.8	199.3	245.4	247.3
March		10.4	10.5	190.2	195.4	243.2	244.8
April		10.2	10.4	190.5	192.7	240.4	241.7
May		10.1	10.2	191.0	190.7	238.7	239.7
June		10.1	10.1	192.1	188.8	238.3	237.6
July		10.0	9.9	192.8	188.2	237.1	236.7
August		10.1	10.0	192.0	186.7	236.0	235.1
September		10.1	10.1	189.4	185.4	235.5	234.5
October		10.1	10.0	188.4	185.8	234.7	233.8
November		10.1	10.0	187.6	186.0	234.9	233.6
December		10.0	9.9	185.5	185.0	233.6	232.3
2010							
January		9.7	9.8	178.6	185.7	230.5	231.8
February		9.7	9.8	170.0	177.6	226.9	228.6
March		9.7	9.8	173.0	177.8	227.7	229.2
April		9.7	9.9	178.9	181.0	227.7	228.9
May		9.7	9.8	182.2	181.9	228.7	229.6
June		9.7	9.7	182.6	179.5	231.8	231.2

## Trade Employment\*

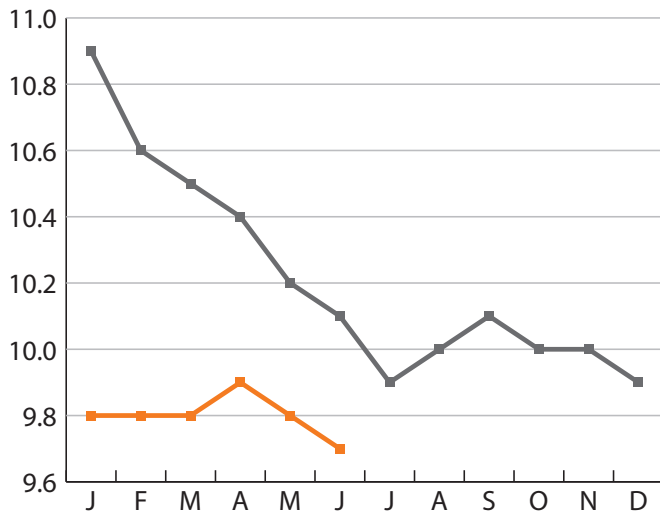
	Wholesale Trade Employment (Thousands)		Retail Trade Employment (Thousands)	
2009	Unadjusted	Adjusted	Unadjusted	Adjusted
January	115.4	116.4	403.5	405.3
February	114.7	115.5	394.4	404.8
March	114.2	114.8	392.8	400.7
April	113.9	114.2	392.3	401.0
May	113.9	113.7	397.3	401.0
June	113.5	112.9	399.0	400.0
July	112.7	112.4	396.4	397.9
August	112.6	112.1	395.8	397.2
September	111.8	111.7	394.6	396.5
October	112.0	111.7	396.7	395.2
November	110.6	110.5	405.4	391.0
December	109.8	109.4	411.0	390.5
2010				
January	106.5	107.4	396.9	398.7
February	106.5	107.3	387.5	397.7
March	107.1	107.7	391.8	399.6
April	107.1	107.4	395.9	404.7
May	107.6	107.4	402.5	406.2
June	108.3	107.7	402.4	403.4

\* These series have been adjusted to First Quarter 2009 benchmarks.

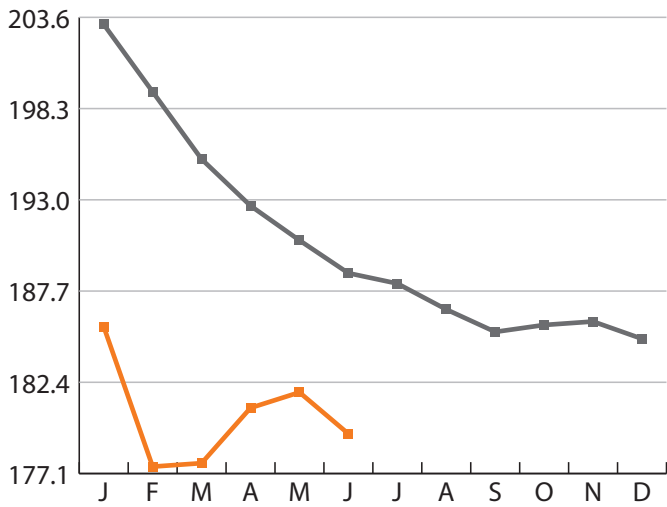


## Goods Producing Employment

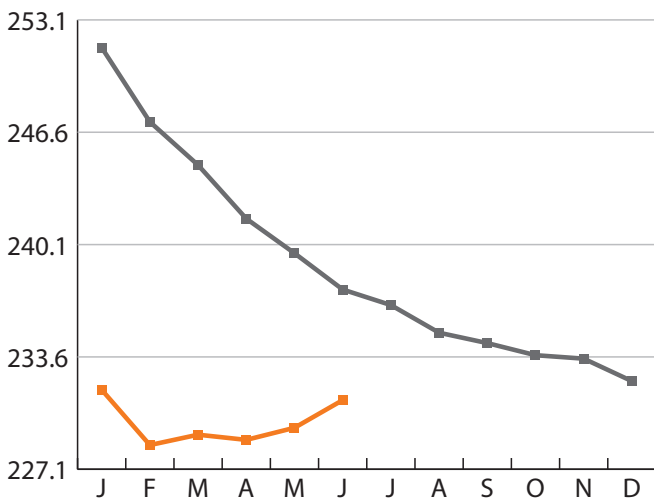
Mining and Logging Employment  
(Thousands)



Construction Employment  
(Thousands)

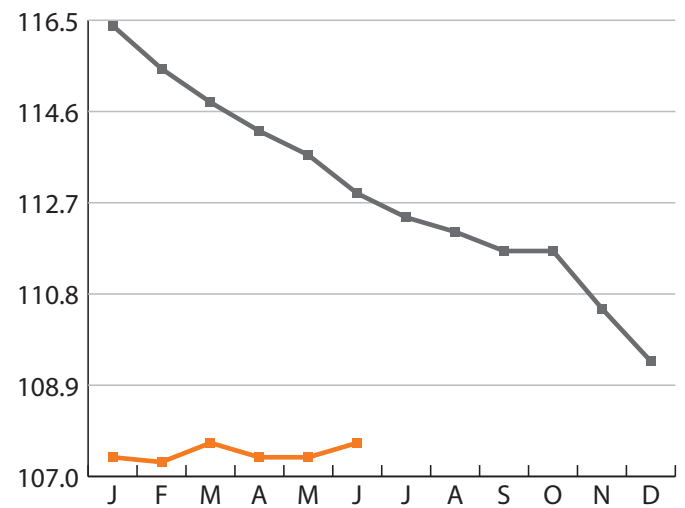


Manufacturing Employment  
(Thousands)

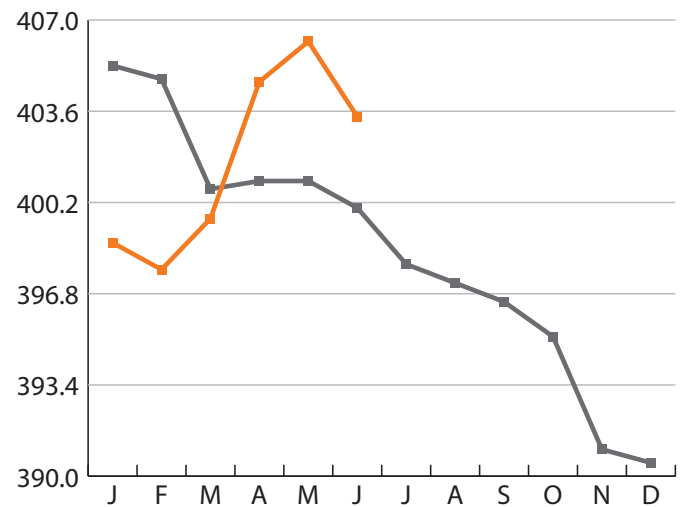


## Trade Employment

Wholesale Trade Employment  
(Thousands)




Retail Trade Employment  
(Thousands)




■ 2009 ■ 2010 January 2009 - June 2010

## Transportation, Information, and Finance Employment\*

	Transportation, Warehousing, & Utilities Employment (Thousands)		Information Employment (Thousands)		Finance Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
2009						
January	114.4	116.0	84.0	84.4	182.1	184.1
February	113.2	115.2	83.8	83.8	181.1	182.8
March	112.7	114.3	83.1	83.2	181.1	181.9
April	111.8	113.4	82.1	82.4	181.1	181.9
May	112.5	113.2	81.9	81.7	180.8	180.8
June	112.7	112.4	81.8	81.2	181.8	180.0
July	112.3	112.0	81.1	80.6	181.6	179.4
August	112.0	111.5	80.1	79.9	181.4	179.4
September	112.1	111.3	79.1	79.3	179.0	178.9
October	110.5	110.0	78.8	79.1	178.4	178.8
November	111.9	110.5	78.2	78.3	177.5	178.4
December	110.4	107.3	78.0	78.0	177.7	177.6
2010						
January	108.1	109.6	77.0	77.4	178.2	180.1
February	107.6	109.5	76.1	76.1	176.4	178.1
March	108.6	110.2	76.0	76.0	176.5	177.3
April	110.2	111.8	75.4	75.7	176.9	177.6
May	110.5	111.2	75.0	74.8	177.2	177.1
June	112.6	112.3	74.7	74.2	178.3	176.6

## Service Employment\*

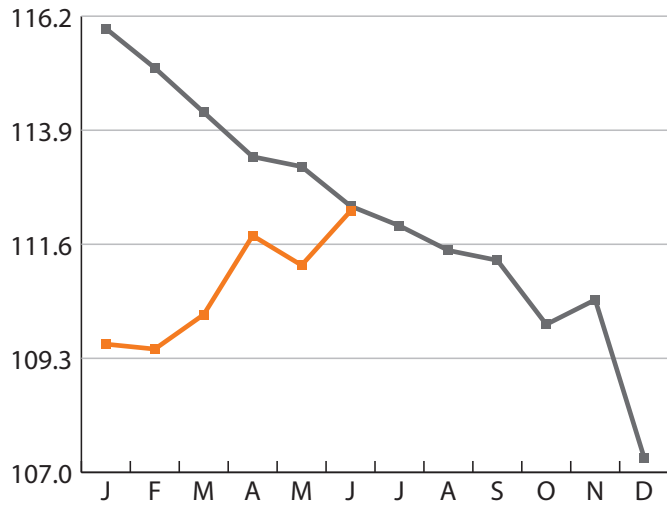
	Professional and Business Services Employment (Thousands)		Private Education and Health Services Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
2009				
January	640.3	650.3	445.5	445.9
February	639.0	647.2	447.5	445.4
March	639.2	643.6	448.9	445.9
April	638.0	640.1	451.0	446.6
May	636.4	638.3	452.7	447.8
June	639.3	635.9	450.7	448.4
July	639.1	635.3	434.3	452.7
August	639.9	634.1	433.9	452.2
September	635.7	633.8	452.8	450.2
October	641.1	636.9	457.3	452.4
November	638.6	635.5	459.8	453.8
December	638.6	635.7	460.5	454.5
2010				
January	631.6	641.5	455.4	455.8
February	623.0	631.0	456.1	453.9
March	630.1	634.4	463.3	460.2
April	639.9	642.0	461.2	456.7
May	642.4	644.3	459.8	454.8
June	643.4	639.9	460.0	457.7

\* These series have been adjusted to First Quarter 2009 benchmarks.

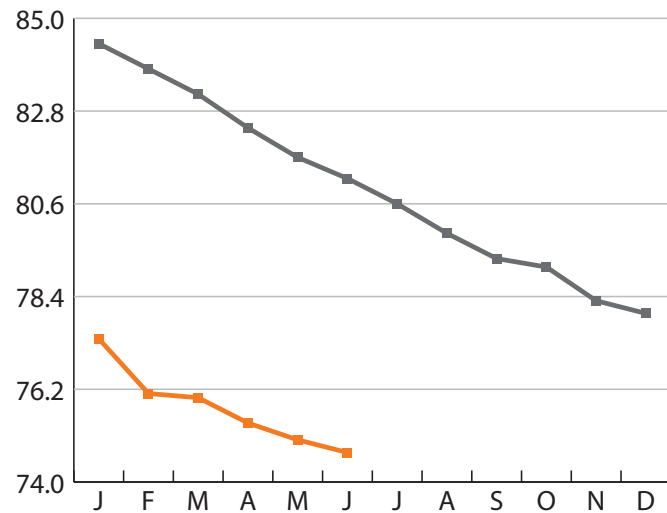


## Transportation, Information, and Finance Employment

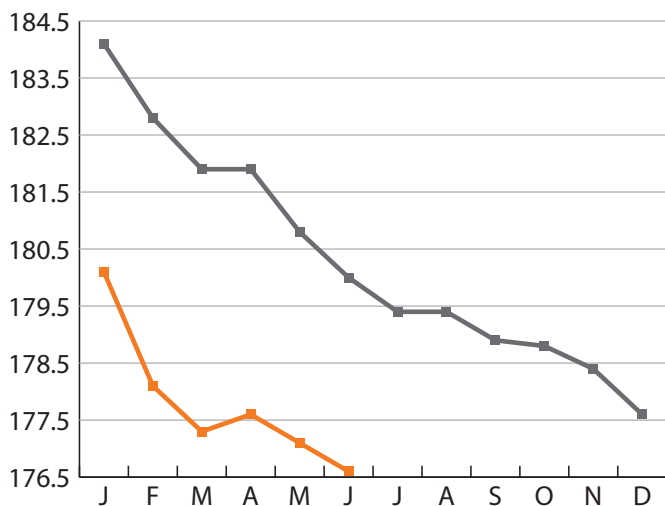
Transportation, Warehousing, and Utilities Employment (Thousands)



Information Employment (Thousands)

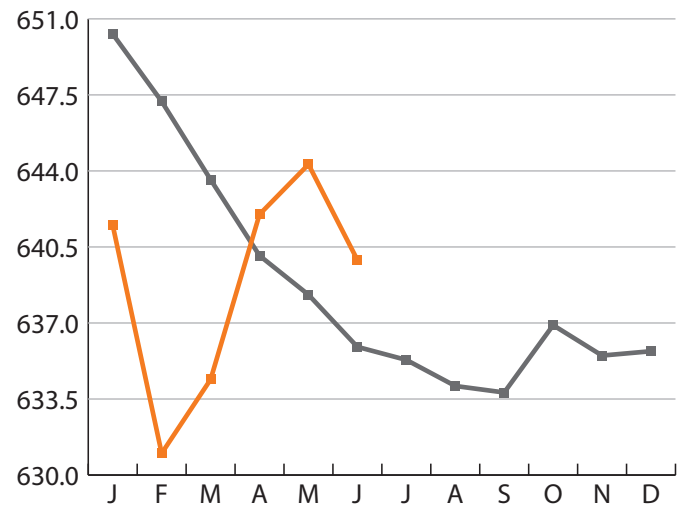


Finance Employment (Thousands)

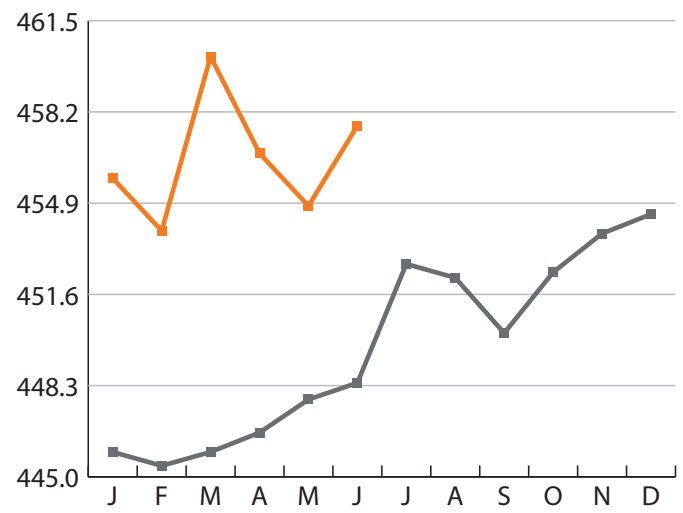


## Service Employment

Professional and Business Services Employment (Thousands)




Private Education and Health Services Employment (Thousands)




■ 2009 ■ 2010 January 2009 - June 2010

## Service Employment\* (Continued)

 2009	Leisure and Hospitality Services Employment (Thousands)		Miscellaneous Services Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted
January	320.2	342.6	185.0	187.4
February	321.9	342.4	185.4	187.1
March	328.4	339.4	185.9	186.6
April	339.7	341.6	186.3	186.4
May	354.6	344.5	187.0	186.1
June	364.0	341.8	188.4	186.3
July	363.7	341.5	188.4	186.4
August	360.6	340.5	187.4	186.1
September	347.8	341.7	185.4	185.9
October	333.1	336.6	186.0	186.3
November	324.9	334.8	185.9	186.5
December	321.3	332.7	189.5	189.7
2010				
January	317.3	339.5	188.0	190.5
February	313.8	333.8	189.2	190.9
March	326.9	337.9	194.2	195.0
April	340.0	341.9	199.1	199.2
May	350.6	340.6	199.1	198.2
June	366.9	344.5	197.7	195.5

## Government Employment\*

 2009	Federal Government Employment (Thousands)		State Government Employment (Thousands)		Local Government Employment (Thousands)	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
January	162.3	162.7	148.9	153.1	385.0	382.7
February	162.0	163.2	155.2	152.6	386.7	381.9
March	162.2	163.3	157.0	153.3	389.0	382.7
April	166.6	167.5	156.4	151.6	387.4	382.2
May	166.7	167.0	152.3	152.7	389.8	381.8
June	166.2	165.7	148.6	153.2	391.5	382.7
July	167.3	165.7	145.0	152.5	358.6	376.1
August	168.4	167.2	146.8	153.4	353.8	376.7
September	167.1	167.5	156.5	154.3	363.6	372.9
October	168.5	168.5	158.2	154.2	373.0	371.5
November	168.7	168.4	158.8	154.9	377.3	370.5
December	168.9	168.4	158.2	156.2	375.2	369.5
2010						
January	169.6	170.0	148.8	153.0	371.6	369.4
February	169.2	170.5	158.4	155.8	367.6	363.0
March **	169.5	170.6	158.8	155.0	373.4	367.4
April	172.6	173.5	158.5	153.7	373.0	368.0
May	182.9	183.3	153.4	153.8	375.3	367.6
June	180.6	180.1	149.5	154.1	375.9	367.5

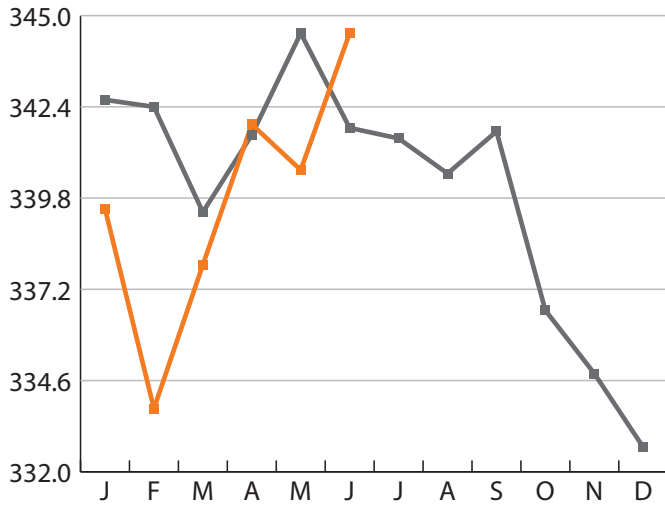
\* These series have been adjusted to First Quarter 2009 benchmarks.

\*\* March 2010 Federal Government Employment corrected.

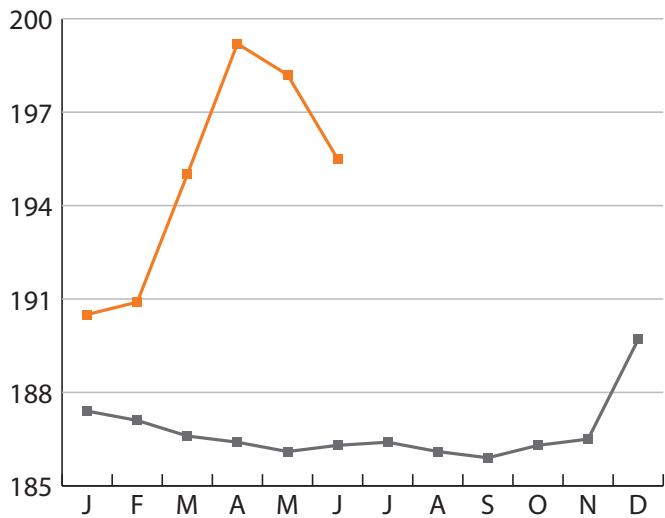


## Service Employment (Continued)

Leisure and Hospitality Services Employment  
(Thousands)

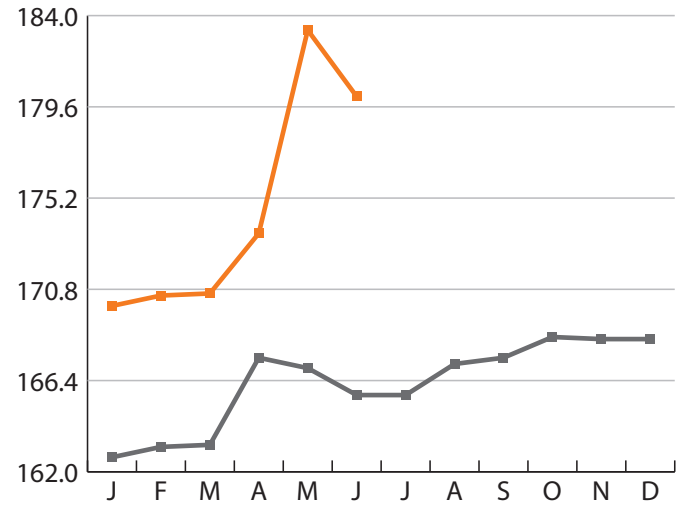


Miscellaneous Services Employment  
(Thousands)

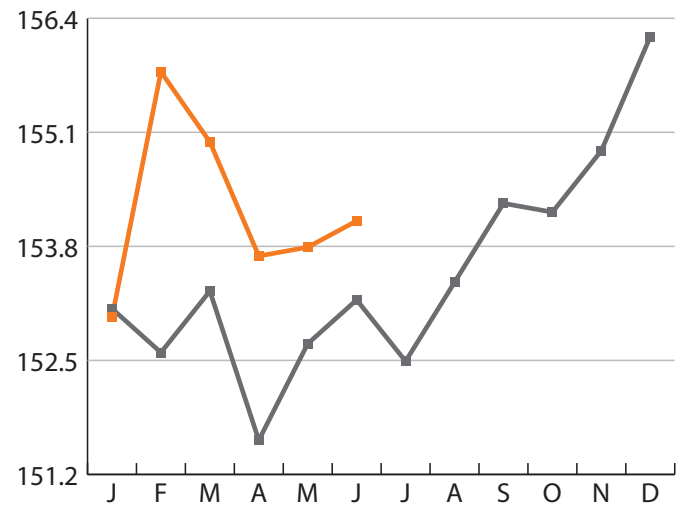


## Government Employment

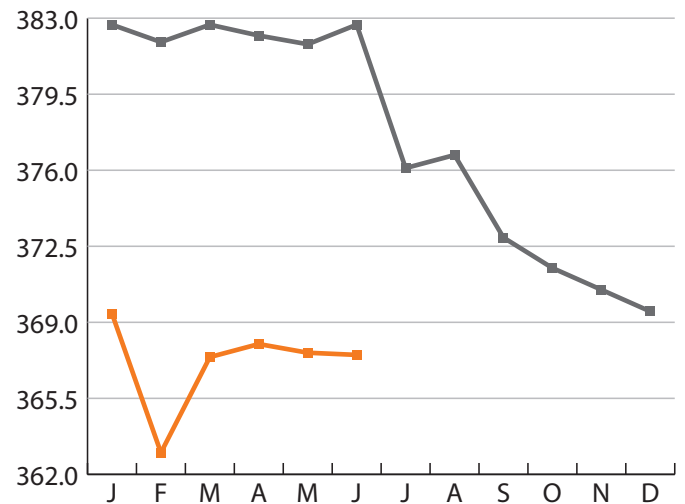
Federal Government Employment  
(Thousands)



State Government Employment  
(Thousands)




Local Government Employment  
(Thousands)




■ 2009 ■ 2010 January 2009 - June 2010

## Manufacturing Production Worker Indicators\*

	Average Weekly Hours	
	Unadjusted	Adjusted
<b>2009</b>		
January	39.4	39.6
February	40.2	40.3
March	39.3	39.7
April	39.8	40.5
May	41.7	41.3
June	41.9	41.4
July	43.0	42.8
August	43.2	42.9
September	43.5	43.5
October	43.6	43.3
November	42.8	43.3
December	42.1	42.0
<b>2010</b>		
January	41.6	41.8
February	40.2	40.3
March	42.5	42.9
April	41.4	42.1
May	42.4	42.0
June	41.7	41.2

Average Hourly Earnings (Dollars)	
Unadjusted	Adjusted
18.20	18.18
18.02	18.12
18.11	18.26
18.26	18.31
18.68	18.81
18.80	18.72
19.12	19.02
19.28	19.18
19.45	19.43
18.47	18.41
18.77	18.87
18.98	18.86
18.93	18.91
19.41	19.51
19.50	19.66
19.13	19.19
19.18	19.31
19.19	19.10

Deflated Average Hourly Earnings (1982-84 Dollars)	
Unadjusted	Adjusted
8.85	8.75
8.72	8.69
8.74	8.79
8.78	8.82
8.95	9.06
8.91	8.95
9.08	9.12
9.13	9.13
9.20	9.24
8.73	8.76
8.85	8.82
8.97	8.80
8.91	8.81
9.13	9.10
9.13	9.19
8.94	8.98
8.96	9.07
8.97	9.01

	Total Production Hours (Thousands)	
	Unadjusted	Adjusted
<b>2009</b>		
January	7,663	7,758
February	7,698	7,795
March	7,428	7,579
April	7,423	7,596
May	7,760	7,709
June	7,810	7,676
July	7,955	7,905
August	7,944	7,835
September	7,969	7,926
October	7,944	7,861
November	7,798	7,843
December	7,633	7,552
<b>2010</b>		
January	7,455	7,548
February	7,067	7,156
March	7,497	7,649
April	7,307	7,477
May	7,526	7,477
June	7,519	7,390

Average Weekly Earnings (Dollars)	
Unadjusted	Adjusted
717.08	719.77
724.40	729.25
711.72	723.38
726.75	741.01
778.96	775.56
787.72	774.86
822.16	812.91
832.90	819.41
846.08	846.91
805.29	804.20
803.36	813.30
799.06	794.43
787.49	790.41
780.28	785.46
828.75	842.31
791.98	807.48
813.23	809.67
800.22	787.15

Deflated Average Weekly Earnings (1982-84 Dollars)	
Unadjusted	Adjusted
348.60	346.85
350.45	350.24
343.46	348.29
349.53	357.25
373.11	371.90
373.38	370.14
390.53	390.14
394.45	390.90
400.37	403.47
380.66	380.70
378.94	381.72
377.44	369.95
370.46	368.59
367.11	366.89
388.13	393.60
370.16	378.33
379.84	378.59
374.22	370.99

\* These series have been adjusted to First Quarter 2009 benchmarks.



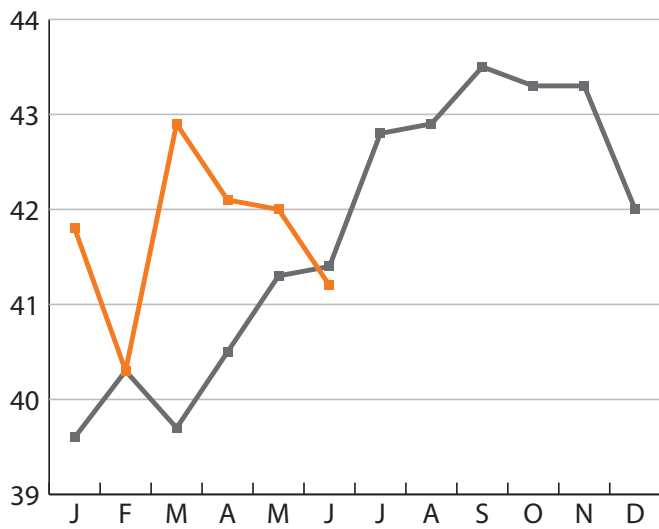
Manufacturing Production Worker Indicators

2009

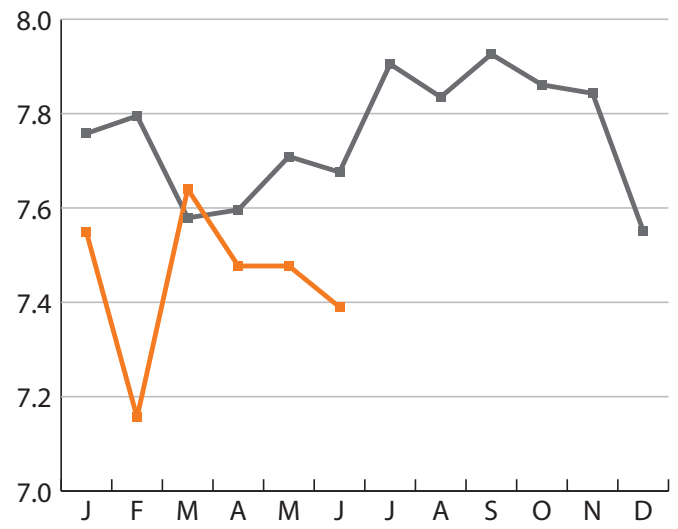
2010

January 2009 - June 2010

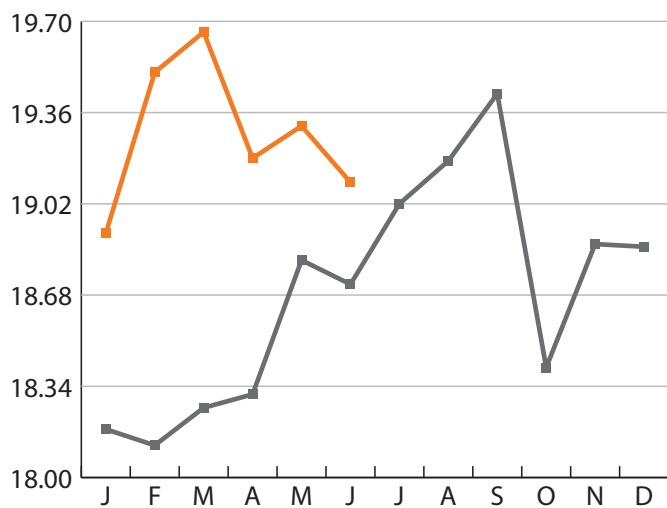
Average Weekly Hours



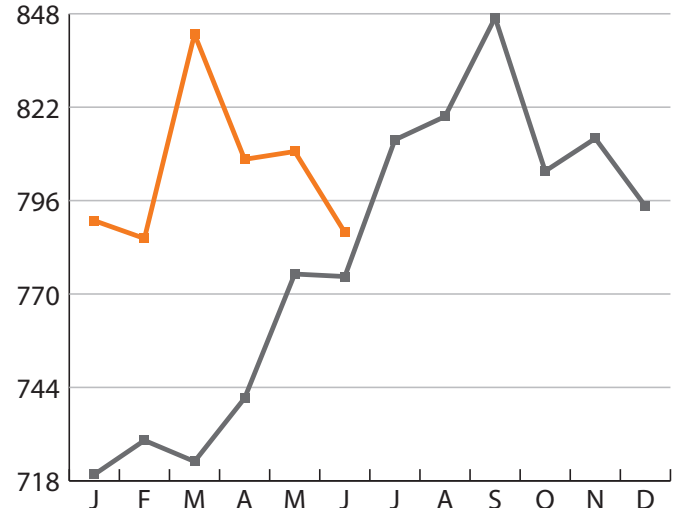
Total Production Hours (Millions)



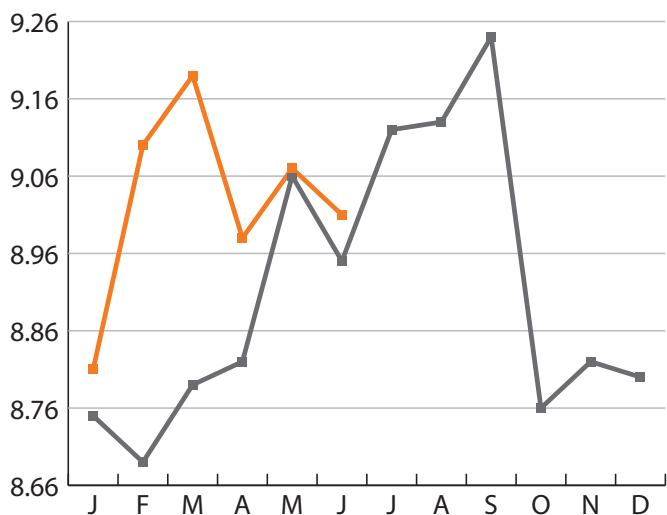
Average Hourly Earnings (Dollars)



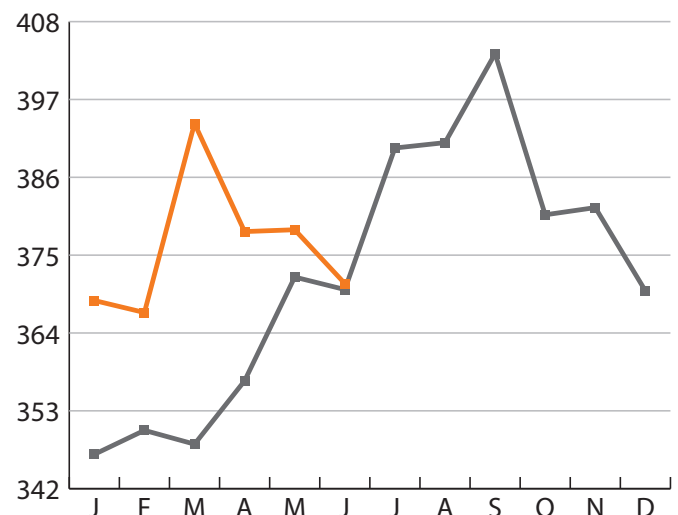
Average Weekly Earnings (Dollars)



Deflated Average Hourly Earnings (1982-84 Dollars)



Deflated Average Weekly Earnings (1982-84 Dollars)



## Business Indicators



## Single Family Housing Permits

2009	Unadjusted	Adjusted
January	887	1,032
February	1,306	1,337
March	1,266	1,136
April	1,710	1,528
May	1,473	1,281
June	1,501	1,294
July	1,699	1,499
August	1,453	1,392
September	1,432	1,536
October	1,323	1,399
November	1,010	1,257
December	1,157	1,528
2010		
January	1,200	1,397
February	1,049	1,074
March	1,838	1,649
April	1,812	1,619
May	1,388	1,207
June	1,594	1,374

## New Business Incorporations

Unadjusted	Adjusted
1,096	1,066
1,146	1,140
1,156	987
1,327	1,140
1,074	1,017
1,073	1,042
1,118	1,123
1,038	1,073
973	1,026
1,002	1,087
857	1,086
993	1,074
1,043	1,015
1,002	997
1,394	1,190
1,183	1,017
983	931
1,177	1,143

## New Vehicle Registrations

Unadjusted	Adjusted
23,181	24,774
20,790	26,162
24,232	24,209
28,551	26,574
28,224	25,062
32,286	27,452
29,941	27,653
34,980	30,587
37,400	35,650
25,115	24,620
20,452	26,925
24,186	28,799
25,597	27,356
20,926	26,332
31,467	31,436
36,522	33,993
34,062	30,245
35,582	30,254

Taxable Retail Sales  
(Millions of Dollars)

2009	Unadjusted	Adjusted
January	7,307	8,375
February	7,028	8,049
March	7,978	8,000
April	8,056	8,199
May	8,046	7,996
June	8,887	8,279
July	8,223	8,265
August	7,892	7,971
September	8,333	8,290
October	8,156	8,107
November	8,302	8,403
December	9,752	8,071
2010		
January	6,983	8,003
February	6,635	7,599
March	8,591	8,614
April	8,159	8,303
May	8,304	8,252
June	8,719	8,123

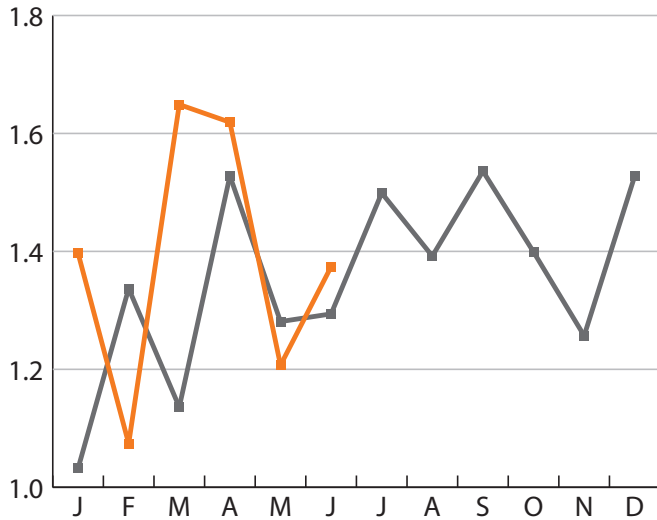
Deflated Taxable Retail Sales  
(Millions of 1982-84 Dollars)

Unadjusted	Adjusted
3,552	4,020
3,400	3,852
3,850	3,840
3,874	3,941
3,854	3,847
4,212	3,961
3,906	3,946
3,738	3,773
3,943	3,959
3,855	3,835
3,916	3,957
4,606	3,814
3,285	3,718
3,122	3,537
4,023	4,013
3,813	3,879
3,878	3,871
4,077	3,834

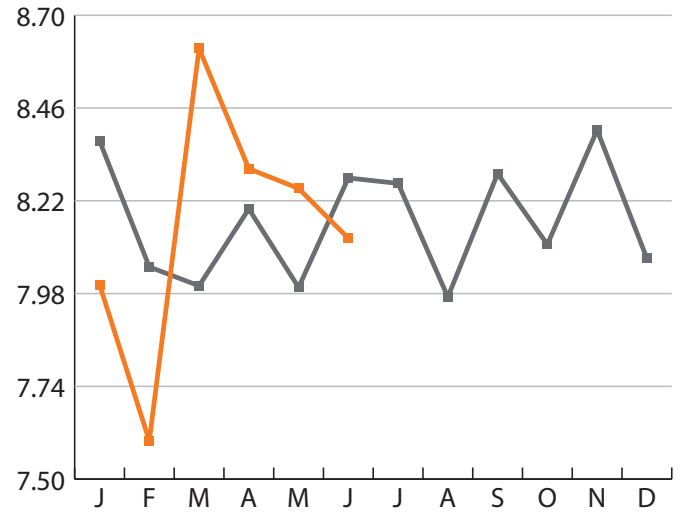


## Business Indicators

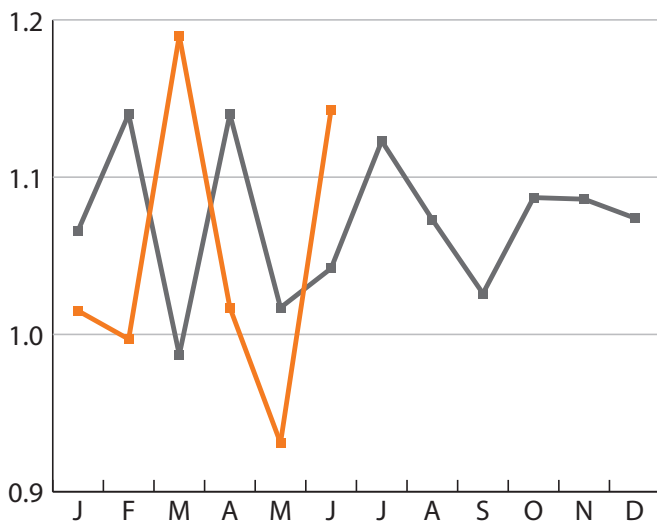
Single Family Housing Permits  
(Thousands)



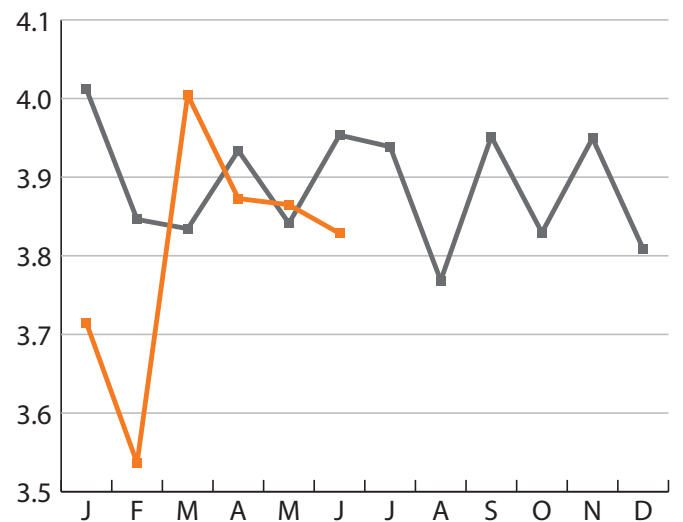
Taxable Retail Sales  
(Billions of Dollars)



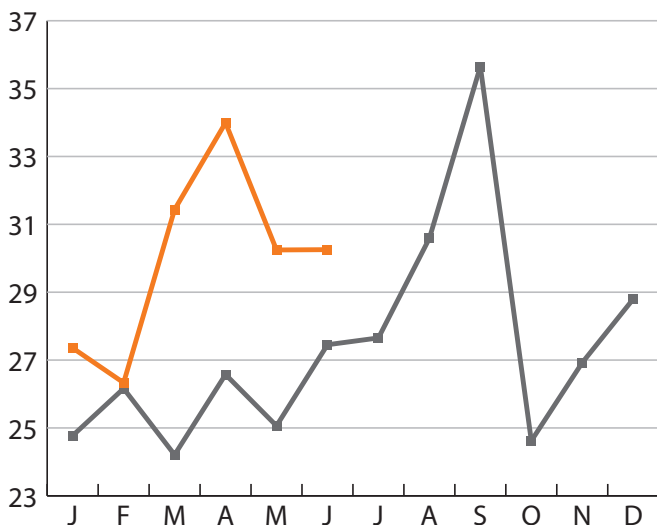
New Business Incorporations  
(Thousands)



Deflated Taxable Retail Sales  
(Billions of 1982-84 Dollars)



New Vehicle Registrations  
(Thousands)



**Note:** Data Summary Tables have been discontinued.

■ 2009 ■ 2010 January 2009 - June 2010

# Historical Summary

## Performance of Indicators Over the Business Cycle

For those interested in studying the business cycle in Virginia, this publication includes several of the economic time series for which data is readily available on a monthly basis. From time to time, new series will be added and, if necessary, others presently included will be discontinued.

## Business Cycle Turning Points

The beginning of a recession is defined as the month when aggregate economic activity in the U.S. reaches a cyclical high, from which it begins to turn down, and the end as the month when it reaches a cyclical low, from which it begins to turn up. On November 26, 2001, the National Bureau of Economic Research (NBER) announced a recession had begun in March 2001. On July 17, 2003, NBER announced the recession ended in November 2001. The NBER announced on December 1, 2008, that a recession had begun in December 2007.

## Seasonal Adjustment

To correlate changes in a time series and changes in the business cycle, it is desirable to eliminate, insofar as possible, the effect of irrelevant factors from the data comprising the series. All series currently published in the *Virginia Economic Indicators* have been adjusted to minimize regular seasonal fluctuations in the data in order to show only activity related to the business cycle.

## Historical Graphs

Historical graphs are published in the back of the fourth quarter issue for each year.

## Data Sources

The data source for all series in this publication is the Virginia Employment Commission (VEC), except the following:

**U.S. Census Bureau:**

Single Family Housing Permits

**Virginia Department of Motor Vehicles:**

New Vehicle Registrations

**Virginia Department of Taxation:**

Deflated Taxable Retail Sales

Taxable Retail Sales

**Virginia State Corporation Commission:**

New Business Incorporations